



OFFICE OF MANAGEMENT AND BUDGET

Proposed Designation of Databases for Treasury's Working System Under the Do Not Pay Initiative

AGENCY: Office of Management and Budget.

ACTION: Notice of Proposed Designation.

SUMMARY: The Payment Integrity Information Act of 2019 (PIIA) provides that the Office of Management and Budget (OMB) may designate additional databases for inclusion in Treasury's Working System under the Do Not Pay (DNP) Initiative. PIIA further requires OMB to provide public notice and an opportunity for comment prior to designating additional databases. In fulfillment of this requirement, OMB is publishing this Notice of Proposed Designation to designate the National Association of Public Health Statistics and Information Systems (NAPHSIS) Electronic Verification of Vital Events (EVVE) Facts of Death (FOD) System. This notice has a 30-day comment period.

DATES: Please submit comments on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. At the conclusion of the 30-day comment period, if OMB decides to finalize the designation, OMB will publish a notice in the Federal Register to officially designate the database.

Please note that all public comments received are subject to the Freedom of Information Act and will be posted in their entirety, including any personal and/or business confidential information provided. Do not include any information you would not like to be made publicly available.

ADDRESSES: Comments may be sent by mail or electronic mail (e-mail).

The Office of Management and Budget, Attn: OFFM, 725 17th Street NW, Washington, DC 20503. MBX.OMB.OFFM.PaymentIntegrity@omb.eop.gov.

FOR FURTHER INFORMATION CONTACT: Regina Kearney at (202) 395-3993.

SUPPLEMENTARY INFORMATION:

PIIA recodifies the DNP Initiative that was already under way across the Federal Government.¹ The DNP Initiative includes multiple resources that are designed to help Federal agencies, the judicial and legislative branches of the Federal Government, and certain State agencies review payment and award eligibility for purposes of identifying and preventing improper payments. As part of the DNP Initiative, OMB designated Treasury to host the Working System, which is the primary system through which DNP customers can verify payment and award eligibility.

Pursuant to PIIA,² OMB has the authority to designate additional databases for inclusion in the DNP Initiative.³ Appendix C to OMB Circular No. A-123, Management’s Responsibility for Enterprise Risk Management and Internal Control,⁴ provides guidance related to PIIA and states that OMB “may designate other databases that substantially assist” in preventing improper payments.⁵

Treasury Working System Privacy, Security, and Legal Implications

All Treasury Working System users and administrators are required to sign rules of behavior stipulating their responsibilities to minimize risks and support DNP’s mission to “conduct a thorough review of databases and help verify eligibility and prevent [improper and unknown payments] prior to the release of Federal funds.” Treasury has also dedicated resources to establish a privacy program based on applicable requirements, the Fair Information Practice Principles (FIPPs), and industry best practices. Treasury’s privacy program supports various internal controls in collaboration with Treasury leadership and legal counsel. Projects are vetted through a data usage governance process to ensure compliance with privacy requirements in law and policy and

¹ The Improper Payments Elimination and Recovery Improvement Act of 2012, P.L. 112-248, first codified the DNP Initiative.

² 31 U.S.C. 3351-58.

³ 31 U.S.C. 3354(b)(1)(B). OMB designated the Department of the Treasury to host Treasury’s Working System, which helps Federal agencies verify that their payments are proper. Treasury’s Working System is part of the broader DNP Initiative.

⁴ OMB Memorandum M-21-19, “Transmittal of Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement” (March 5, 2021).

⁵ *Id.* at 31.

manage risk associated with the use of specific data to reduce improper payments for Treasury's customers and Government agencies.

Risk mitigation measures for Treasury's Working System include maintaining a current and compliant Security Accreditation and Authorization (SA&A) package, in accordance with Federal Information Security Management Act (FISMA) requirements. Additionally, to reduce the likelihood of unauthorized access, login to Treasury's Working System requires public key infrastructure (PKI) or personal identity verification (PIV) credentials.

Considerations for Designating NAPHSIS EVVE FOD

OMB proposes to designate NAPHSIS EVVE FOD for inclusion in Treasury's Working System. As the most comprehensive private provider of state vital records and a partner of state vital records offices, NAPHSIS can provide information to researchers, organizations, and government organizations to facilitate the verification of birth and death records.

Treasury's Working System would benefit from more comprehensive verification of death records from state agencies. Currently, Treasury's Working System provides verification of death records to its customers using several databases, but is limited in its ability to verify the existence of a death certificate reported by a state. Designation of EVVE FOD as a database in Treasury's Working System would improve and streamline access for Working System customers to verify death certificates. Currently, customers must access state vital records from each state office. Access to EVVE will centralize access to many states' offices through a single portal.

Use of EVVE FOD within Treasury's Working System would also allow for its users to access state death records that are available in the Social Security Administration's Full Death Master File (DMF), which would otherwise be restricted from use for many programs by statute.⁶ The DMF includes state death records and other information. Agencies are not prohibited from obtaining death information directly from state vital records offices or through commercial portals

⁶ 42 U.S.C. 405(r).

like EVVE.⁷ Death data from state vital records offices are the authoritative source for death information. Including EVVE FOD will also allow the Treasury Working System to examine the quality of existing and potential data sources that provide death data by using an authoritative source.

OMB has considered Treasury's recommendation and assessment of the suitability of EVVE FOD Data for designation of inclusion within Treasury's Working System. OMB proposes to designate EVVE FOD Data for inclusion in Treasury's Working System. Treasury's suitability assessment, which evaluates the suitability of EVVE FOD Data, is attached. Treasury's assessment considers factors identified in OMB Circular A-123 Appendix C section (IV)(E) established by OMB M-18-20, which has been superseded by OMB M-21-19. Appendix C requires that "OMB-established procedures and criteria will be followed to determine whether database are designated into the Treasury Working System or included in the Initiative outside of the Treasury Working System." As OMB prepares guidance on those procedures and criteria, OMB will still apply pre-existing guidance and criteria from M-18-20, because M-18-20's guidance and criteria is derived from similar statutory provisions in IPERIA, the predecessor to PIIA.

Accordingly, for this request, OMB is considering the same factors as listed in M-18-20. These factors are: 1) statutory or other limitations on the use and sharing of specific data; 2) privacy restrictions and risks associated with specific data; 3) likelihood that the data will strengthen program integrity across programs and agencies; 4) benefits of streamlining access to the data through the central DNP Initiative; 5) costs associated with expanding or centralizing access, including modifications needed to system interfaces or other capabilities in order to make data accessible; and 6) other policy and stakeholder considerations, as appropriate:

1. Statutory or other limitations on the use and sharing of specific data: There are no statutory or other limitations that would prevent including the EVVE FOD database within Treasury's Working System for the purposes of verifying payment, award eligibility, and analytical projects.

⁷ Id.

2. Privacy restrictions and risks associated with specific data: Treasury assessed privacy restrictions and risks in discussions with NAPHSIS. When Treasury initiates matching with EVVE, DNP will only receive matching results on data provided to DNP (i.e., data on individuals already existing within the working system). Treasury will receive matched data from NAPHSIS with the deceased individual's Social Security Number, name, date of birth and date of death information. EVVE data is taken directly from State Vital Statistics Databases and is not owned by NAPHSIS. Data is gathered through an Application Programming Interface (API) and is not altered prior to displaying results to the user at the agency. Policies, practices and procedures relating to the monitoring, auditing, or evaluation of the accuracy of personally identifiable information are determined by the State that owns the record. EVVE FOD currently has agreements in place with each State to address data correction. Treasury evaluated EVVE FOD in various areas, including a data quality assessment at the attribute level, and at the level of the source as a whole. Per-data element measures include quantifications of accuracy, coverage, and conformity. Whole-source measures include assessments of the freshness, completeness, and uniqueness of all records. These six assessments factors, some of which are multi-part, reduce to six quantitative scores, and these six scores are combined into an overall data source quality benchmark. The quality assessment was performed on a snapshot of the data source compared to payment data from August 2020 to February 2021.

EVVE FOD contains information only on deceased individuals. Deceased individuals are not afforded Privacy Act protections. Therefore, the data gathered from state vital records offices and the information on individuals are not covered by the Privacy Act.

Treasury has also not identified any additional Privacy Act restrictions or risks for DNP to make this commercial database available in Treasury's Working System. Treasury's use of the EVVE FOD matching results does not include information on survivors of the deceased individual and no other involved parties will have any information disclosed. Treasury will also receive only limited information about the deceased, namely, the Social Security Number, name, date of birth

and date of death information. Treasury already receives similar information in verifying death data when using other databases within the DNP Initiative. Upon reviewing the privacy restrictions and risks of EVVE FOD, Treasury has determined that the limited information disclosed and the controls supporting this database are sufficient to address any privacy concerns.

3. Likelihood that the data will strengthen program integrity across programs and agencies:

Designating EVVE FOD would strengthen program integrity. Including EVVE FOD would allow Treasury's Working System to provide access to state records that are not currently included in the Social Security Administration's Limited Access Death Master File (LADMF). Since a significant number of improper payments are made to deceased individuals each year, providing the Working System's customers access to these additional records could help them identify additional potentially improper payments. Additionally, EVVE FOD provides an independent source of death data which will reduce the amount of time for agencies to decide on a payment to a deceased individual. EVVE FOD data can also be used for data quality evaluations and to assist with data standardization to ensure accuracy of records. Each of these benefits will help assure citizens that Treasury and the Government are acting as good-faith stewards of taxpayer dollars. The results of a Treasury analysis of EVVE FOD were applied to the payments currently being screened against other DNP death databases and found that, after applying assumptions to account for false positives, EVVE FOD is estimated to save the government roughly \$489.9 million over a ten-year period.

4. Benefits of streamlining access to the data through the central DNP Initiative: It would be

beneficial to streamline access to EVVE FOD through its inclusion in Treasury's Working System. Some of DNP's customers are agencies that issue payments to beneficiaries. Including EVVE FOD in Treasury's Working System will allow for faster and more accurate execution of such payments. Benefit-paying agencies, and other payment-issuing DNP customers, would be able to check EVVE FOD along with the other databases in Treasury's Working System. This will enable

agencies to make more informed payment decisions and payment verifications, which will increase efficiency and strengthen internal controls.

5. Costs associated with expanding or centralizing access, including modifications needed to system interfaces or other capabilities in order to make data accessible: There will be some additional costs associated with expanding or centralizing access to EVVE FOD. Currently, EVVE FOD costs \$8,750 per month for an annual cost of \$105,000. Adjusting for inflation it is estimated that over a ten-year period, EVVE will cost the Government \$1.15 million. However, Treasury has performed a trial assessment with respect to EVVE FOD, which compared nearly 10 million death and payment records with EVVE FOD in order to determine which payments would result in matches. Agency-specific business rules identified in Treasury's current processes were then applied to reduce false positives. The results of this assessment were applied to the payments currently being screened against other DNP death databases and found that, after applying assumptions to account for false positives, EVVE FOD is estimated to save the government roughly \$489.9 million over a ten-year period. Accounting for the purchase of death certificates from State Vital Statistics Databases, this amounts to a potential ROI of over 42,613%.

6. Other policy and stakeholder considerations: No additional stakeholder considerations were identified.

We invite public comments on the proposed designation of the database described in this notice.

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